

24 August 1964

MEMORANDUM FOR: D/DCI/NIPE

SUBJECT: DCI's CIP—Secretary of Defense's  
Concern With Rise in Operating Money  
for FY66 vs. FY65

1. The programmers in the Pentagon tell me that although the Secretary of Defense approved the CIP, as recommended by the OSI Review Group, except for deferment of the [ ] for purchase of attaché aircraft in FY66 and a slightly lower amount in FY67, he did express concern over [ ] rise in Operating money for FY66 vs. FY65 and asked for an explanation—the DIA people have forwarded their explanation to him but did not know as of Friday how it had been received—I do not know the details of their explanation.

2. Just in case the Secretary of Defense should discuss this problem with the DCI [ ] attached is one of the tables that will appear in it, relating to Operating money trends.

a. By way of explanation, there are three kinds of "Operating" money in the CIP, the figure in parentheses indicates the percentage that each represents to the total Operating money for FY66 and FY65.

3. You will note that the total net increase in Operating money was about the same from FY64 to FY65 and FY65 to FY66; [ ] and [ ]. However, the major part of the 64-65 increase was

25X1 spread rather evenly over six of the program elements whereas the '65-'66 increase is concentrated in two elements; almost 69% being accounted for by Mapping & Charting and about 18% by Specialized Collection, most of it in [redacted] Not only do these two elements account for most of the '65-'66 increase in Operating money, they also show a relatively high percentage rise in this cost item, 16% to 17%; most of the other elements show much smaller percentage increases. The few very large percentage increases, such as in [redacted] I suspect are due to their shifting from the R&D stage to the operating stage.

4. The rise in Operating money in the case of Mapping & Charting does not appear to be due to manpower increases; although relatively large in number the percentage increase was only 3.7% in FY65 and 2.5% in FY66. On the other hand, Specialized Collection does show a large percentage increase in Manpower, 31.3% in FY65 and 18% in FY66. I understand that the O&M money covers a wide range of items, including civilian pay, so it takes a complete break-down of the items covered to get at the real cause of the increase; I assume that DIA has provided the Secretary of Defense with such a break-out and will try to get more details. Incidentally, there was no great difference in the percentage increase for Operating money in the Mapping and Charting area as between the three Services, FY65 vs. FY66: Army UP 17.5%; Navy UP 18.3%, and Air Force UP 13.1%.

[redacted]  
NIPE Staff

Attachment:

Changes in Operating Money  
Levels by Element (FY64 - FY66)

cc: [redacted]

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